

# Exhibit G

**Advanta Corp.  
Employee Savings Plan**

**Summary Plan Description**

THIS DOCUMENT ALSO CONSTITUTES PART OF A PROSPECTUS COVERING  
SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

**As of July 1, 2007**

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## **Advanta Corp. Employee Savings Plan Summary Plan Description**

### **Introduction**

Advanta Corp. provides eligible employees with a vehicle to accumulate retirement savings on a tax-favored basis through the Advanta Corp. Employee Savings Plan (the “Plan”). The Plan is a defined contribution plan established under Section 401(k) of the Internal Revenue Code of 1986 (the “Code”), as amended. The information provided in this booklet is only a summary description of the main provisions of the Plan generally in effect as of July 1, 2007. It is not the complete Plan. The complete provisions of the Plan are set forth in the official Plan document, a copy of which is available for your inspection during regular working hours from your Human Resources Representative. In addition, you may request a copy of the Plan document in writing. Send written requests to the Plan Administrator. The Plan Administrator may charge a reasonable fee for copying the documents. *If there is a conflict between the summary plan description and the Plan document, the Plan document will control.* Nothing contained herein will be construed as a guarantee of employment, either expressed or implied. The Board of Directors of Advanta Corp. reserves the right to amend, modify or terminate the Plan at any time.

### **SEC Registration:**

This document also constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933. See *Your Investment in Company Stock* for more information.

### **ERISA Rights:**

A summary of your legal rights as guaranteed under the Employee Retirement Income Security Act of 1974 (“ERISA”) is found in *Your Rights Under ERISA*.

### **Eligible Employees:**

The Plan is offered to all eligible employees of Advanta Corp., a Delaware corporation (the “Company”) and the Participating Companies who have adopted this Plan.

### **Participating Companies:**

In addition to the Company, the related employers listed in Appendix A who also sponsor the Plan for their employees currently are **Participating Companies**. Throughout this document, the term *Company* means Advanta Corp. and those related employers listed in Appendix A.

**Basic Facts**

<b>Name of Plan</b>	Advanta Corp. Employee Savings Plan
<b>Name of Plan Sponsor and Mailing address</b>	Advanta Corp. P.O. Box 844 Welsh and McKean Roads Spring House, PA 19477
<b>Plan Sponsor's Employer Identification Number (EIN)</b>	23-1462070
<b>Plan Number</b>	001
<b>Plan Year</b>	January 1 to December 31
<b>Type of Plan</b>	Defined contribution plan established under Section 401(k) of the Code.
<b>Type of Administration</b>	Company administration
<b>Name, Address and Telephone Number of the Named Fiduciary</b>	Administrative Committee (the "Committee") Advanta Corp., P.O. Box 844 Welsh and McKean Roads, Spring House, PA 19477 Telephone Number: (215) 657-4000
<b>Name and Address of Agent for Service of Legal Process</b>	General Counsel, Advanta Corp., P.O. Box 844 Welsh and McKean Roads, Spring House, PA, 19477. <i>(Service of legal process also may be made upon the Plan Trustee or the Committee.)</i>
<b>Name of Plan Administrator</b>	Advanta Corp., P.O. Box 844 Welsh and McKean Roads, Spring House, PA 19477 Telephone Number: (215) 657-4000 Attention: Human Resources Department
<b>Plan Funding</b>	Contributions to the Plan are made by Participating Companies and Plan Participants.
<b>Funding Medium</b>	Plan assets are held by the Trustee in a tax-qualified trust.
<b>Name and Address of Plan's Trustee</b>	Wilmington Trust Company Rodney Square North 1100 North Market Street Wilmington, DE 19890

## The Plan in Brief

The Plan was originally established effective July 1, 1973 as the TSO Financial Corp. Employee Savings Plan by Advanta Corp., a Delaware corporation (the “Company”), formerly known as TSO Financial Corp. The Company amended and renamed the TSO Financial Corp. Employee Savings Plan as the Advanta Corp. Employee Savings Plan (the “Plan”) effective January 1, 1989 and has amended the Plan from time to time, including a restatement of the Plan generally effective as of January 1, 2001, and minor subsequent amendments. The Plan is a vehicle for you to accumulate retirement savings on a tax-favored basis. It is designed to promote the interests of the Company, its shareholders and you by allowing you to invest in the Company’s Class B Common Stock thereby giving you an incentive to put forth maximum efforts for the success of the Company.

As mentioned above, the Plan is a defined contribution plan established under Section 401(k) of the Code. With this type of plan, both you and your Participating Company make contributions to a trust. Those contributions are then allocated to your Account under the Plan. See *Your Plan Account* for more information. Because contributions are held in a qualified trust, they are not available to the Participating Companies or to their creditors. Another important characteristic of this type of plan is that you direct how contributions are invested. You can choose from a variety of investment categories. The value of your Account can go up or down based on the performance of your investments, the interest and dividends paid and changes in the market value. The investment risk is yours and not the Participating Companies’. Although the Plan is designed to provide you with retirement income, you are, under certain circumstances, permitted to receive Plan distributions prior to reaching retirement age.

## Eligibility to Participate

### 1. Who is eligible to become a participant in the Plan?

You are eligible to become a participant in the Plan if you:

- are employed by the Company (including Participating Companies);
- have attained age 21; and
- have completed six months of Service.

*In addition, employees of certain foreign affiliates of the Company who are United States citizens or residents may be eligible to become Plan participants.*

### 2. Who is not eligible to participate in the Plan?

The following classifications of employees are not eligible to participate in the Plan:

- Nonresident aliens with no U.S. source income;
- Leased employees (as defined under the Internal Revenue Code);
- Individuals who render services to the Company and who in the opinion of the Committee are independent contractors or employees of independent contractors; and



- Individuals covered by a collective bargaining unit, if the unit has not bargained to participate in the Plan.

### **3. *What is six months of Service for purposes of Plan eligibility?***

You are eligible to participate in the Plan after six months of Service. Six months of Service is generally measured from the date you first complete an hour of service as an employee of the Company and ending six months thereafter. All service with affiliates of the Company is counted for this purpose. You receive credit for one "hour of service" for each hour that you are paid or entitled to payment for the performance of duties or other reasons such as paid vacations, holidays, certain periods of paid leave, and certain unpaid periods of absence from employment due to active military service (provided you return to work within the period required by law for preservation of your rights). If, however, you terminate your employment prior to completing six months of Service, and you incur a Period of Severance which does not exceed one year, your Period of Severance along with your prior service credit will be counted towards your six months of Service. If you terminate your employment prior to completing six months of Service, and you incur a Period of Severance which exceeds one year, but does not exceed more than five years, all of your Service will be credited (other than your Period of Severance). If you terminate your employment prior to completing six months of Service, and you incur a Period of Severance of five or more years, you will forfeit your prior service credit. A "Period of Severance" is the period of time commencing on your severance date and ending on the date which you are credited with an hour of service with the Company due to your re-employment.

### **4. *How is my service eligibility period calculated if I leave the Company and am subsequently re-employed?***

For purposes of determining the six months of Service eligibility period:

- A Period of Severance from service not exceeding one year is counted as service.
- If you terminate your employment after you have reached six months of Service, you will re-qualify for participation in the Plan on the date on which you are next employed by the Company, or on the entry date next following your attainment of age 21, if later.
- If you terminate your employment before completing six months of Service and you incur a Period of Severance which equals or exceeds one year, but is less than five years, then you retain your prior service.
- If you terminate employment before completing six months of Service and incur a Period of Severance which equals or exceeds five years, then you will not retain your prior service.

#### ***Examples:***

- Employee X became employed with Participating Company A on June 1, 2007, terminated employment on October 31, 2007 and then became employed by Participating Company B on February 1, 2008. Because Employee X's Period of Severance from service lasted less than one year, the period between October 31, 2007 and February 1, 2008 is counted towards her six months of Service and Employee X is treated as satisfying the six months of Service requirement as of February 1, 2008.
- Employee Y is employed by a Participating Company for two full years and incurs a six-year Period of Severance. Employee Y is re-employed by a Participating Company on May 1, 2008. Since

Employee Y met the eligibility requirements for participation in the Plan, Employee Y will be eligible to participate in the Plan as of May 1, 2008.

- Employee Z works with a Participating Company for four months and then incurs a Period of Severance lasting six years. Upon his re-employment he has no prior service credit and must complete six months of Service before he is eligible to participate in the Plan.

**5. *When is the earliest date upon which I may enroll in the Plan?***

Your participation in the Plan is voluntary. After meeting the eligibility requirements you may become a participant on the next "Entry Date."

The Plan's Entry Dates are the first day of each payroll period coincident with or following the next date on which you meet the requirements for Plan eligibility.

**6. *If I do not elect to enroll in the Plan when I am first eligible to do so, may I do so at a later date?***

If you do not elect to begin participation in the Plan after you first become eligible, thereafter you may begin your participation on the first day of the payroll period following your election to make Salary Reduction Contributions to the Plan. Please note, however, that in order for your election to be effective immediately following the pay period, you must make your election at least 14 days prior to the beginning of this pay period.

**7. *How do I enroll in the Plan?***

Before you enroll in the Plan, the Administrator will require you to sign and return a Benefits Signature Authorization Form ("BSAF"). You will receive a BSAF with your benefits orientation materials. Enrollment in the Plan is done through **Participant Account Link (PAL)**. (See *Your Plan Account* below.) To enroll you must establish a Personal Identification Number (PIN) through **PAL**.

At the time you enroll, you will need to enter your contribution percentage as well as your investment choices. Generally, your contributions to the Plan will start with your first paycheck immediately following your entry into the Plan.

**8. *Am I required to name a beneficiary under the Plan?***

When you enroll in the Plan, you should name a beneficiary. Your beneficiary is the person who receives the value of your Account if you die. You may name anyone as your beneficiary. However, if you are married as of the date of your death and you have named someone other than (or in addition to) your surviving spouse as your beneficiary, your beneficiary designation will not be valid unless your spouse has executed a "spousal consent" to such designation. Note that your Plan beneficiary designation under the Plan is separate from the beneficiary you may name for other benefits.

**9. *What is "Spousal Consent"?***

A "spousal consent" is an irrevocable, written consent whereby your spouse relinquishes his or her right to your Account upon your death. The consent you obtain applies only with respect to the beneficiary designation you are making. If you subsequently make a new beneficiary designation that names someone other than your spouse, you must obtain a new spousal consent for that designation. A spousal consent must be notarized or witnessed by a member of the Committee.

**10. How do I name a beneficiary?**

To name a beneficiary, you must complete the beneficiary form and return it to the Administrator.

**11. May I change my beneficiary designation?**

You may change beneficiaries at any time by submitting another completed beneficiary form. The most recently completed beneficiary form on file with the Administrator will determine how your benefits are distributed in the event of your death. It is your responsibility to keep your beneficiary designation up to date. You should keep a record of your current beneficiary and check it from time to time to make sure it continues to reflect your wishes.

**12. What if I fail to name a beneficiary?**

If you don't name a beneficiary, or if there is no living designated beneficiary at the time of your death, benefits will be paid to your spouse. If you are not married, or if there is no surviving spouse, benefits will be paid to your estate.

## **Contributions To The Plan**

### **Your Contributions**

**1. If I am eligible to enroll in the Plan, what contributions may I make to the Plan?**

You can elect to defer on a pre-tax basis the maximum permitted amount under Sections 402(g) and 415 of the Code or such lesser amount as may be determined by the Committee from time to time to the Plan as Salary Reduction Contributions. A "Salary Reduction Contribution" is the contribution you elect to make to the Plan on a pre-tax basis based upon a percentage of your compensation. No after-tax contributions are permitted under the Plan. For the 2007 year, the maximum permitted amount is \$15,500 (excluding any catch-up contributions as explained below). This limit may increase from year to year under the applicable Code provisions. Notwithstanding the foregoing, your Salary Reduction Contribution must be at least 1% of your compensation and may not exceed 75% of your compensation payable to you after deducting all amounts otherwise withheld from your compensation, including, but not limited to, required tax withholding and amounts deducted in connection with the payment of the employee portion of any benefit costs.

**2. When are my contributions to the Plan deducted from my payroll?**

The percentage you elect will be deducted from your compensation each pay period. Salary Reduction Contributions must be made by payroll deduction.

**3. What is my Salary Reduction Contributions Subaccount?**

The Salary Reduction Contributions you make under the Plan, adjusted for earnings, losses, withdrawals, loans, loan repayments and distributions, will constitute your Salary Reduction Contributions Subaccount. You are always 100% vested in your Salary Reduction Contributions Subaccount (as you are with respect to all your accrued benefits under the Plan). Therefore, the amount in this subaccount is not subject to forfeiture under the Plan. Because your Salary Reduction Contributions are based on a percentage of Plan compensation, if your Plan compensation fluctuates from pay period to pay peri-

od, your Salary Reduction Contributions will vary accordingly. Moreover, if your wages are subject to a support order or other garnishment, this may affect the percentage of compensation that can be deferred to the Plan. Contact your Human Resources Representative with questions about specific items affecting your compensation.

**4. *May I change my Salary Reduction Contribution election?***

You may elect to discontinue, increase or decrease your Salary Reduction Contributions under the Plan by contacting the **Participant Account Link (PAL)**.

If you elect to discontinue Salary Reduction Contributions or to increase or decrease the level of your Salary Reduction Contributions, your election will be effective as soon as administratively practicable following receipt of your election by the Administrator.

**5. *What are the tax advantages of contributing to the Plan?***

When you make Salary Reduction Contributions under the Plan, you defer a percentage of compensation from each paycheck before it is taxed. As a result, your taxable income is reduced by the amount of your Salary Reduction Contributions. Lower taxable income means that you pay less federal income tax. In most locations, this advantage also applies for state and local income taxes. (Some municipalities are exceptions to this rule.)

Social Security taxes are withheld on your Salary Reduction Contributions to the Plan. This ensures that your Social Security benefit will not be affected by your participation in the Plan.

***An Example:***

Assume your annual compensation is \$30,000 and you decide to contribute 6% of compensation to the Plan—for an annual Salary Reduction Contribution of \$1,800. This means you pay federal income taxes on \$28,200 (\$30,000 – \$1,800) instead of \$30,000. Assuming you are in a 15% federal income tax bracket, you save 15% of \$1,800, or \$270, in taxes. Of course, your actual tax reduction will depend on your own tax status and financial situation as well as the most recent tax tables.

**6. *Am I eligible to make a catch-up contribution to the Plan?***

If you will attain at least age 50 by the close of a Plan Year, you will be eligible to contribute “catch-up contributions” under the Plan. This contribution is in addition to the Salary Reduction Contributions that would otherwise be permitted under the Plan. For 2007, your catch-up contribution may be an amount of up to \$5,000.

Your “catch-up contributions,” adjusted for earnings and losses will be included in your Salary Reduction Contributions Subaccount and like any other amount contributed for your benefit under the Plan are always 100% vested and are not subject to forfeiture under the Plan.

**7. *Is there a Company Matching Contribution on my catch-up contributions?***

No. Company Matching Contributions will not be made for “catch-up contributions” under the Plan.

**8. How do I elect to make catch-up contributions?**

To elect to make “catch-up contributions” under the Plan, please call **HR CONNECT** at **1-877-HR1-6175**.

**9. Am I eligible to make a Rollover Contribution to the Plan?**

You may make a Rollover Contribution to the Plan, even if you are not otherwise eligible to make Salary Reduction Contributions to the Plan. A Rollover Contribution consists of an “eligible rollover distribution” within the meaning of Section 402(c)(4) of the Code. Generally, distributions from (i) an individual retirement account described in Section 408(a) of the Code, (ii) an individual retirement annuity described in Section 408(b) of the Code, (iii) a qualified trust, (iv) an annuity plan described in Section 403(a) of the Code, (v) an eligible deferred compensation plan described in Section 457(b) of the Code which is maintained by a State, political subdivision of a State, any agency or instrumentality of a State or political subdivision of a State and (vi) an annuity contract described in Section 403(b) of the Code may be rolled over into this Plan. However, please contact the Plan Administrator to determine whether you have an “eligible rollover distribution” and whether that may be rolled over to the Plan.

**10. Does the Plan prohibit certain eligible rollover distributions?**

Yes. “Eligible rollover distributions” attributable to after-tax contributions may not be rolled over to this Plan.

Such contributions to the Plan, adjusted for earnings, losses, withdrawals, loans, loan repayments and distributions will constitute your Rollover Contributions Subaccount. You will always be 100% vested in and have a nonforfeitable right (not subject to forfeitures) to your Rollover Contributions Subaccount.

**Company Contributions****11. Am I eligible for a Company Matching Contribution?**

If you elect to make Salary Reduction Contributions to the Plan, your Participating Company will provide a Company Matching Contribution. *The Company Matching Contribution will be made on the first 5% of compensation you defer as Salary Reduction Contributions for each pay period at the rate of \$.50 for each dollar deferred.* The following chart illustrates the Company Matching Contribution.

**12. Under what circumstances am I entitled to a make-up matching contribution?**

<b>When You Defer this Percentage of Compensation as Salary Reduction Contributions ...</b>	<b>Your Company Matching Contribution Equals this Percentage of Compensation</b>
1%	0.5%
2%	1.0%
3%	1.5%
4%	2.0%
5% or above	2.5%

If you are employed as of the last day of a Plan Year, you will be entitled to a make-up matching contribution if the amount of the Company Matching Contribution you received for the Plan Year is less than \$.50 for each dollar of the first 5% of annual compensation you deferred. The make-up matching contribution is designed to make up the difference, if any, between the amount of Company Matching Contribution you received and the maximum amount you are entitled to receive based upon the amount of annual compensation deferred. In no event will the sum of the Company Matching Contribution you previously received plus the amount of the make-up matching contribution exceed 2.5% of your annual compensation for the Plan Year.

***For example:***

Assume your annual compensation is \$30,000 (\$2,500 monthly) and you contribute 15% of your compensation as Salary Reduction Contributions for the first six months of the Plan Year.

<b>Month</b>	<b>Salary Reduction Contribution (15% of compensation)</b>	<b>Company Matching Contribution (made on up to 5% of deferred compensation)</b>
January	\$375	\$62.50
February	\$375	\$62.50
March	\$375	\$62.50
April	\$375	\$62.50
May	\$375	\$62.50
June	\$375	\$62.50
<b>Totals</b>	<b>\$2,250</b>	<b>\$375</b>

Then, assume you decided to stop making contributions after only six months. When averaged over the year, your contributions work out to be 7.5% of annual compensation (half of 15% or \$2,250) and the Company Matching Contributions work out to be 1.25% of your annual compensation (half of 2.5% or \$375). This amount is only half of what you are entitled to based on your actual contribution of 7.5% of annual compensation. You therefore will be entitled to a make-up matching contribution of 1.25% of annual compensation (another \$375) to bring your Company Matching Contribution up to 2.5% of compensation.

If you separated from service during the Plan Year, you are not entitled to the make-up matching contribution attributable to that Plan Year. If you are entitled to a make-up matching contribution, it will be deposited to your Company Contributions Subaccount no later than the due date, including extensions, for filing the Company's federal income tax returns for the taxable year ended coincident with the Plan Year with respect to which such contributions are to be made.



**13. What is an additional discretionary matching contribution?**

The Company, in its sole discretion, will determine whether, and to what extent, it will make an additional discretionary matching contribution for any Plan Year. Any additional discretionary matching contribution will be a percentage, determined by the Company, of your Salary Reduction Contributions for the Plan Year. The Company will make the additional discretionary matching contribution in the amount and at the time determined by the Company for the benefit of any Member who has made Salary Reduction Contributions during the Plan Year and who is employed by the Company on the last day of the Plan Year. If you separate from service during the Plan Year, you will not be entitled to the additional discretionary matching contribution for the Plan Year.

**14. What is a special contribution?**

The Company will determine whether, and to what extent, the Company will make a special contribution for any Plan Year. If the Company elects to make the special contribution, the Company will make the contribution on account of each participant employed as of the last day of the Plan Year, provided that:

- the participant is not a "key employee" as determined by the Committee, and
- the participant made Salary Reduction Contributions to the Plan for the Plan Year.

The amount of the special contribution will be based on a percentage determined by the Company. The amount of the special contribution will not exceed *the lesser of* (i) 5% of your annual compensation for the Plan Year or (ii) the annual deferral limit set by the IRS for the Plan Year which is \$15,500 for 2007.

Contributions made by the Company adjusted for earnings, losses, withdrawals, loans, loan repayments and distributions will constitute your Company Contributions Subaccount. You are always 100% vested in your Company Contributions Subaccount. Therefore, the amount in this subaccount is not subject to forfeiture under the Plan.

**Limits on Contributions****15. What is the limit I may defer to the Plan on an annual basis?**

The IRS limits the amount of Salary Reduction Contributions you can defer to the Plan each year. This limit is \$15,500 for 2007. It is indexed every year by the IRS for cost-of-living adjustments. For the purposes of this limit, your Salary Reduction Contributions to this Plan and to any qualified plan of a previous employer (made in the same calendar year) will be included in the IRS limit for the year. Therefore, if you defer to more than one qualified plan during the calendar year, it is your responsibility to monitor your contributions to make sure you do not exceed the IRS limit. Note: Company contributions do not count towards this limit.

If you reach the IRS limit in any Plan Year, your Salary Reduction Contributions will stop for the rest of the Plan Year. Your Salary Reduction Contributions will automatically resume the following January at the rate you had on file with the Administrator as of December 31.

**16. What is the limit on catch-up contributions a catch-up eligible participant may make?**

The IRS limits the amount of “catch-up contributions” you can defer to the Plan each year. This limit is \$5,000 for 2007 and is subject to Section 414(v) of the Code.

**17. What effect do the nondiscrimination rules have on my Salary Reduction Contributions and Company Matching Contributions?**

Nondiscrimination rules applicable to the Plan limit the extent to which highly compensated employees (“HCEs”) may benefit based on the Plan benefits for lower paid employees. As a consequence, the rate of Salary Reduction Contributions and Company Matching Contributions for HCEs cannot be substantially higher than the rate of Salary Reduction Contributions and Company Matching Contributions for employees with lower compensation. Generally, if you make at least \$100,000 (as adjusted for inflation) you will be treated as an HCE. If the Plan fails these tests, the Company may limit Salary Reduction Contributions by HCEs, refund such contributions as appropriate or take such other steps as may be appropriate or necessary to comply with the nondiscrimination rules as they apply to Salary Reduction Contributions and Company Matching Contributions. If you are affected, you will be notified.

**18. What are the limits of Section 415 of the Code?**

The IRS also generally limits amounts contributed to the Plan on your behalf (your Salary Reduction Contributions as well as Company Contributions). The 2007 Plan Year limit is the lesser of 100% of your compensation or \$45,000. If you exceed these limits, your Plan contributions will be affected.

Please note that the Company’s contributions to the Advanta Corp. Employee Stock Ownership Plan are also counted for purposes of determining whether this Plan Year limit has been met.

## **Defining Compensation**

**1. What does the term “compensation” refer to?**

Generally, the term “compensation” is used throughout this summary in a variety of contexts. For the purposes of this summary, compensation means the compensation you receive each payroll period and includes:

- Base salary, shift differentials, overtime pay up to 40 hours per week, and certain commissions approved by the Committee;
- Salary Reduction Contributions to this Plan; and
- Pre-tax contributions to the medical, dental, and health care and dependent care reimbursement accounts under the Advanta Corp. Welfare and Flexible Benefits Plan (even if you were required to make such contributions because you had no other source of health coverage).

**2. For purposes of the Plan what does “compensation” exclude?**

- Adjustments to salary and allowances due to international service;
- Overtime paid for work in excess of 40 hours per week;
- Bonuses;



- Commissions (other than those approved by the Committee);
- Expense reimbursements and other expense allowances;
- Fringe benefits;
- Moving expenses;
- Compensation deferred to nonqualified retirement plans; and
- Welfare and severance benefit payments.

The term “annual compensation” is also used throughout this summary. Your annual compensation is the compensation you receive over the course of the Plan Year up to the annual limit established by the IRS. The 2007 limit is \$225,000. This limit is subject to future increases or adjustments by the IRS to reflect cost-of-living adjustments.

Under the terms of the Plan and applicable provisions of the Code, compensation may be defined in a different manner for purposes of determining who is a highly compensated employee and for purposes of limiting maximum contributions to any participant.

## Your Plan Account

### *1. What constitutes my “Account” under the Plan?*

Your Salary Reduction Contributions and the Company contributions to the Plan are placed in an Account that you invest with the goal of future growth. Your Account will consist of the following sub-accounts:

- Salary Reduction Contributions Subaccount;
- Company Contributions Subaccount;
- Loan Subaccount (if you take a Plan loan); and
- Rollover Contributions Subaccount (if you rolled over an eligible distribution from another qualified plan or an Individual Retirement Account (“IRA”).

Collectively, the above subaccounts are referred to herein as your “Account.”

You will receive statements at least quarterly summarizing your Account activity. These statements will track the contributions made to your Account, your investment gains and losses and the balances in each investment category. You may also contact **Participant Account Link (PAL)** at any time to check your current Account value or to request a printed statement.

If you have any questions concerning your statement, contact the Administrator or **PAL**. If you find an error on your statement, you must report it to the Administrator within 30 days of the statement issue date for the correction to be made.

## **2. *How is my Account valued?***

The value of your Account depends on several factors. They include:

- The amount of the Salary Reduction Contributions you defer to the Plan;
- The amount the Company contributes to the Plan on your behalf;
- The performance of the investment categories;
- The number of loans and withdrawals taken from your Account; and
- The length of time your Account stays in the Plan.

## **3. *How do I access my Account information?***

There are two ways you can find out information about your Account:

- **Participant Account Link (PAL):** Allows you to access current information about your Account through the internet or by pressing keys on your telephone in response to a computerized voice. To use PAL, you must enter your Social Security Number and your personal identification number (PIN). You may change your PIN at any time. You may also create an alternate user ID to use in lieu of your Social Security Number. You are responsible for keeping your PIN and any alternate user ID confidential. PAL is available 24 hours a day, seven days a week (subject to periodic downtime, generally between 12:00 a.m. and 6:00 a.m. [Eastern time] and on Sundays if you are using the telephone to access current information). If the system is initially unavailable due to downtime, maintenance, times of excessive use, or market or other conditions such as unforeseen emergencies, *i.e.*, Acts of God, you should try again or contact the Plan Administrator.
- **Participant Services Representatives:** Individuals who are available on business days from 9:00 a.m. to 5:00 p.m. [Eastern time]. These individuals will assist you with Account transactions. They cannot provide you investment advice.

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To access PAL, log onto [www.401kpal.com](http://www.401kpal.com) or call  
**1-888-732-4015.**

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To speak to a **Participant Services Representative**, call  
**1-888-542-4015.**

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## **Your Investment Choices**

### **1. *What investment options are available for me to invest my Account?***

You decide how to invest your Account. The Company is not responsible for your investment decisions. The Plan currently offers several investment categories that offer a variety of investment objectives and levels of risk to satisfy your financial needs and investment goals.

The investment categories and their objectives and risks are listed in Appendix B at the end of this summary.

**2. *Where can I obtain information regarding the Plan's investment categories?***

When you become eligible to participate in the Plan, you will be given information about the investment categories available under the Plan, including an explanation of their investment objectives and policies. At least once a year, you will receive prospectuses and shareholder reports for the investment categories offered under the Plan. **Investments in each of the investment categories will be subject to the terms contained in the applicable prospectuses, and will be made on the basis of the purchase price, or the method of determining the purchase price, of those investments as described therein, including the application of any applicable sales charges. Investments in the Company's Stock will be made at the current market price of the Company's Stock.**

The Committee's selection of the investment categories is not an endorsement of their future performance. To the extent any investment category is invested through a registered mutual fund, the Committee will be responsible for voting the shares of such mutual fund. The Committee monitors the performance of the investment categories in accordance with its monitoring criteria and has the right to change the investment categories that are offered from time to time.

**3. *Who pays the expenses associated with administering the Plan?***

**Please note: The Company may, but is not required to, pay certain administrative and other expenses or costs of the Plan. These expenses may, if not paid by the Company, be paid from the assets of the Plan and deducted from the accounts of the Plan's participants to the extent that is permissible under applicable law. Any such payment of Plan expenses from Plan assets would reduce the investment return that would otherwise apply to your investments under the Plan. Similarly, any brokerage commissions and transfer taxes that may be applicable to Plan investments will constitute an adjustment to the investments to which those items are attributable unless they are paid by the Company. For more information, please contact the Plan Administrator at the address and phone number listed in *Basic Facts*.**

**Your Investment Decision**

You may invest contributions in 5% increments in any combination of the investment categories. You will make one investment decision for your Salary Reduction Contributions and the Company contributions combined.

All investments involve some risk. The value of your Account can go up—or down—depending on several factors, such as changes in interest rates, the level of inflation, fluctuations in the stock market and your investment decision. You should choose the level of risk and return that best suits your investment needs and goals.

**4. *Who is responsible for any investment losses I may incur?***

**The Plan is intended to operate as a plan described in Section 404(c) of ERISA and Section 2550.404(c-1) of Title 29 of the Code of Federal Regulations. As such, the Committee and other fiduciaries of the Plan will be relieved of liability for any loss which is the direct or consequential result of your investment decisions or instructions. In addition, the Pension Benefit Guaranty Corporation does not guarantee benefits under this Plan.**

The Company will make no recommendation on your investment decisions. The Company will, however, keep you informed about your investments through quarterly account statements and other available background information.

**5. *What if I do not make an investment election?***

***If you do not make an investment election or have a valid election on file, you will be deemed to have elected the T. Rowe Price Stable Value Fund and all of the contributions made to the Plan on your behalf will automatically be invested in this investment category.***

**Changing Your Investment Decision**

**6. *How do I change my investments?***

When you change your investments, you may make a separate decision for your future contributions and your current Account balance.

To change investments categories or transfer funds among investment categories, log onto [www.401kpal.com](http://www.401kpal.com) or call **Participant Account Link** at 1-888-732-4015, or to speak to a **Participant Services Representative** call 1-888-542-4015.

Investment category changes are effective immediately after you enter them. Future contributions will be invested according to your most recent election.

Transfers among investment categories initiated through **PAL** are communicated to the fund managers each business day. Transfers must be requested prior to 11:00 a.m. [Eastern time] to be communicated on that day. Investment categories from which money is transferred will be sold as soon as the Plan is able to do so, usually within three business days. Investment categories to which money is transferred will be purchased as soon as the Plan is able to do so, usually within three business days. However, sales or purchases of Company Stock may take more than three business days.

Investment changes to your future contributions will take effect with either your next paycheck or the one following it, depending on when you call within the payroll cycle.

The Committee may impose such restrictions on transfers between funds as it deems appropriate and as necessary to meet the Plan's contractual obligations.

**Available Investment Information**

**7. *What information is available to assist me with my investment decisions?***

To assist you with your investment decisions, the Company may, from time to time, provide you with investment information. This information may include general information relating to types of investments, risk analysis and projected investment experience. In addition, under ERISA 404(c) regulations, you may request certain information outlined in *ERISA Section 404(c) Requirements* prior to making your investment decisions.

## **ERISA Section 404(c) Requirements**

The Plan is intended to operate as a plan described in Section 404(c) of ERISA and Section 2550.404c-1 of Title 29 of the Code of Federal Regulations. As such, the Committee and other fiduciaries of the Plan will be relieved of liability for any loss which is the direct or consequential result of your investment decisions or instructions. In addition, the Pension Benefit Guaranty Corporation does not guarantee benefits under this Plan. Therefore, it is very important that you read carefully all information obtained by you about the Plan's investment options.

### **1. What are the requirements to qualify as an "ERISA 404(c) plan"?**

In order to qualify as an "ERISA § 404(c) plan", the following requirements must be met:

1. You must have the opportunity to exercise control over assets in your Account ("Opportunity to Exercise Control");
2. You must have the opportunity to choose, from a broad range of investment alternatives, the manner in which some or all of the assets in your Account are invested ("Opportunity to Choose"); and
3. You must have actually exercised control over such assets ("Actual Exercise").

For the Plan to meet the "Opportunity to Exercise Control" requirement, you must be provided with the following information:

1. An explanation that the Plan is intended to be a plan described in ERISA § 404(c) and the Department of Labor (the "DOL") Regulations issued thereunder and that the Plan fiduciaries may be relieved of liability for any losses that are a direct and necessary result of your investment instructions.
2. A description of the investment alternatives available under the Plan and, for each designated alternative, a general description of the investment objectives and risk and return characteristics, including information relating to the type and diversification of assets in the portfolio of the designated alternative.
3. Identification of any designated investment managers.
4. An explanation of the circumstances under which you may give investment instructions and any limitations on such instructions under the Plan, including any restrictions on transfers to or from designated investment alternatives, and any restrictions on the exercise of voting or similar rights arising from your or your beneficiary's investment in an investment option.
5. A description of any transaction fees or expenses which affect your Account balance.
6. The name, address, and telephone number of the Plan fiduciary, or the fiduciary's designee, responsible for providing the information that must be supplied upon your request, and a description of the information which may be obtained upon request.

7. In the case of an investment subject to the Securities Act of 1933, and in which you or your beneficiary has no assets invested, immediately following your initial investment, a copy of the most recent prospectus provided to the Plan. This requirement is satisfied if such a prospectus was provided immediately prior to your initial investment.
8. Subsequent to an investment in any investment option, any materials provided to the Plan relating to the exercise of voting, tender, or similar rights which are incidental to the holding in the Account of you or your beneficiary of an ownership interest in such option to the extent that such rights are passed through to you and your beneficiaries under the terms of the Plan, as well as a description of or reference to Plan provisions relating to the exercise of voting, tender, or similar rights.

As part of the "Opportunity to Exercise Control" requirement, you will also have to receive, either directly or indirectly or upon request, the following information:

1. A description of the annual operating expenses of each designated investment alternative (e.g., investment management fees, administrative fees, transaction costs) which reduce the rate of return to you and your beneficiaries, and the aggregate amount of such expenses expressed as a percentage of average net assets of the designated investment alternative.
2. Copies of any prospectuses, financial statements and reports, and of any other material relating to the investment alternatives available under the Plan, to the extent such information is provided to the Plan.
3. A list of the assets comprising the portfolio of each designated investment alternative which constitute plan assets within the meaning of the Department of Labor regulation at 29 C.F.R. 2510.3-101, the value of each such asset (or the proportion of the investment alternative which it comprises), and, with respect to each such asset which is a fixed rate investment contract issued by a bank, savings and loan association or insurance company, the name of the insurer of the contract, the term of the contract and the rate of return on the contract.
4. Information concerning the value of shares or units as designated investment alternatives available to you and your beneficiaries under the Plan, as well as the past and current investment performance of such alternatives determined, net of expenses, on a reasonable and consistent basis.
5. Information concerning the value of shares or units in designated investment alternatives held in your or your beneficiary's Account.

Generally, in order to meet the "Opportunity to Choose" requirement, there must be at least three diversified investment alternatives which allow you to materially affect (a) the return on the portion of your Account over which you exercise control, and (b) the degree of risk to which that portion of the Account is subject.

Finally, the "Actual Exercise" requirement is met only in those transactions over which you have in fact exercised independent control with respect to the assets in your individual Account.

To the extent the above information is provided by the fund managers for the investment categories, *i.e.*, through Internet or web sites and available prospectuses, please use these sources, if possible, before requesting the same information from the Administrator.

For the provisions relating to acquisitions and dispositions of an investment in Company Stock, and in particular, the procedures that have been established to provide for confidentiality of information relating to your purchase, holding, and sale of Company Stock, see *Your Investment in Company Stock*, and the discussion therein of confidentiality procedures.

## **Your Investment In Company Stock**

### ***1. What information do I need to know regarding my investment in Company Stock?***

Because you are allowed to invest your Salary Reduction Contributions in Class B Common Stock of Advanta Corp. (the "Company Stock"), the Plan was required to file a Registration Statement on Form S-8 under the Securities Act of 1933. The Plan previously registered 500,000 shares of Company Stock, which were automatically adjusted in connection with the Company's recent three-for-two stock split.

#### ***Documents Incorporated by Reference***

As long as Company Stock is offered as an investment category under the Plan, the Securities and Exchange Commission (the "SEC") requires the following documents to be incorporated by reference both in the Plan's S-8 Registration Statement and in the Prospectus for the securities offered under the Plan:

- the Company's latest annual report;
- the Plan's latest annual report filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934;
- all other documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934;
- the description of the Company Stock that is contained in the Registration Statement on Form 8-A filed by the Company to register such securities under Section 12 of the Securities Exchange Act of 1934, File No. 0-04120, including all amendments and reports filed for the purpose of updating such descriptions; and
- the description of the Company's Class B Purchase Rights contained in the Registration Statement on Form 8-A dated March 17, 1997, as amended by the Registration Statements on Form 8-A/A dated June 11, 1998 and September 23, 1998.

**These documents are available to you without charge upon your written or oral request.**

### ***2. What is the Plan's Prospectus?***

Taken together, the following listed items comprise the Plan's Prospectus:

- this Summary Plan Description (including, but not limited to, the above notice of availability of documents incorporated by reference);



- the Company's latest annual report on Form 10-K;
- the Plan's latest annual report on Form 11-K;
- the Company's latest quarterly reports on Form 10-Q;
- the Company's current reports on Form 8-K;
- the quarterly reports distributed by the Company to eligible employees that describes the investment categories and financial data with respect to the performance of the investment categories available under the Plan for at least the past three fiscal years (or such lesser period for which data is available); and
- such reports, proxy statements and other communications distributed to the Company's stockholders generally.

At the time the Plan Prospectus is delivered, the Company will also provide you with its most recent glossy annual report or annual report on Form 10-K. If the Plan Prospectus is delivered before the financial statements for the immediately preceding fiscal year are available, the Prospectus may be accompanied by the glossy annual report or annual report on Form 10-K for the fiscal year prior to the immediately preceding fiscal year; in that case, the Company will also provide updated financial statements for the immediately preceding fiscal year within 120 days of the end of the fiscal year. The reports, proxy statements and other communications that are distributed to the Company's other stockholders are required to be delivered to Plan participants no later than they are provided to other stockholders. Copies of all of these documents are available to you free of charge. To request any of these documents, please contact the Plan Administrator. See *Basic Facts* for the Plan Administrator's address and telephone number.

### **3. *What is the Plan's Prospectus used for?***

The Plan's Prospectus is for use only in connection with a participant's purchase of Company Stock in accordance with the terms of the Plan. It is not intended for use in connection with any re-offer or resale of such Company Stock. Any such re-offer or resale must separately satisfy the regulations and registration requirements established by the SEC.

### **4. *Are there any trading restrictions on Company Stock?***

If you are an officer or director of the Company or an affiliate, you should consult with a legal advisor who is familiar with the restrictions imposed on you under applicable federal securities laws (including in particular Section 16 of the Securities Exchange Act of 1934) prior to effecting the sale or transfer of any securities of the Company, including any stock purchased under the Plan. In addition, ***even if you are not an officer or director of the Company or an affiliate***, the Advanta Corp. Code of Ethics prohibits you from using inside information in your securities trading activities, including activities in connection with the Plan. You should also be aware that both federal and state law imposes both civil and criminal penalties on those who buy or sell securities while in possession of material non-public information. ***Again, if you have any question(s) relating to whether or not you may legally sell or transfer shares held in your Account because you believe you may have "inside" information or for any other reason, please consult with your legal advisor.***



In addition, you may not transfer or pledge your right to receive shares. You may purchase the shares in your name alone, or jointly with your spouse or any other person of legal age. There are no provisions under the Plan (or pursuant to any contract or arrangement in connection therewith) which give any person or entity a lien, or the right to create a lien, on the shares in your Account.

#### **5. *What confidentiality procedures are in place with respect to Company Stock?***

Information relating to the purchase, sale or holding of Company Stock and the exercise of voting, tender or similar rights with respect to Company Stock under the Plan will be treated as confidential. The Plan's recordkeeper and Trustee have been instructed not to release this information to any third party or to the Participating Companies with the following exceptions:

- Nothing will preclude the Company from obtaining information concerning the aggregate Company Stock holdings of participants.
- If a claim or lawsuit relates to the sale, purchase or holding of Company Stock or the exercise of voting, tender or similar rights, the Company will be given access to such information so that it can conduct a defense of such claim or action.
- If the information is needed by the Company to facilitate the operation and administration of the Plan by the Administrator, the Administrator may direct the recordkeeper to give the Company access to information regarding the purchase, sale or holding of Company Stock by a participant.

Additional safeguards are present with regard to the exercise of voting, tender or similar rights. All votes are tabulated by the Trustee. Only the aggregate results of the vote are communicated to the Company. The manner in which an individual participant votes is not communicated to the Company absent a claim or lawsuit as described above.

The Committee is the fiduciary responsible for monitoring compliance with these confidentiality procedures. If the Committee determines that there is the potential for undue influence by the Company with respect to the direct or indirect exercise of shareholder rights, the Committee will appoint an independent fiduciary to monitor the confidentiality procedures and to perform any other activities that are related to the exercise of shareholder rights. You may contact the Committee at the address or the phone number of the Plan Administrator, see *Basic Facts*.

## **Plan Loans**

### **1. *Am I eligible for a Plan loan?***

Loans are available to active employees. It is important to recognize that a Plan loan is considered an investment of your Account under the Plan and not as a taxable distribution or withdrawal at the time you receive your loan proceeds. The security of your Plan loan is the pledge of your interest in your Account under the Plan.

### **2. *How much may I borrow?***

The Plan sets minimum and maximum limits on how much you can borrow from your Account. Loans can be made in any dollar amount and are subject to the following limits:

- Only two loans can be outstanding at a time.
- The least you can borrow is \$1,000.
- The most you can borrow is the lesser of:
  - 50% of your total Account balance; or
  - \$50,000. (This amount will be reduced by the highest aggregate outstanding loan balance from the previous 12-month period.)

For the purposes of determining your maximum loan amount, your total Account balance includes your *Salary Reduction Contributions Subaccount*, *Company Contributions Subaccount* and *Rollover Contributions Subaccount*. Such Account balance will be determined as of the business day coincident with or immediately following the date you request the loan.

### **3. *How does the money come out of my Account?***

If you take a loan, money will be drawn from your Account in the following order:

- First, from your Company Contributions Subaccount;
- Then, from your Salary Reduction Contributions Subaccount; and
- Last, from your Rollover Subaccount.

The loan amount will be taken from each investment category proportionately—within each contribution category. The outstanding balance of your loan comprises your Loan Subaccount under the Plan.

### **4. *What are the terms of the loan?***

The minimum loan term is one year. The maximum term depends on your type of loan:

- **General purpose loan.** For a general purpose loan, you can take up to five years to repay the loan.
- **Residential loan.** If the loan will help you build or purchase a primary residence, you can take up to fifteen years to repay the loan. You will be required to provide additional documentation to take a residential loan.

### **5. *Is there a grace period in the event I miss a loan payment?***

All participants will have a grace period in which they may make their installment loan payments. The grace period will be the last day of the calendar quarter following the calendar quarter in which such loan payment was due. However, this grace period may not extend the term of any loan.

#### ***Example:***

Loan with a repayment term of five years ending on December 31, 2006. If you default on November 31, 2006, all loan payments to date must be paid by December 31, 2006 or the outstanding loan amount (to the extent distributable) could be considered a taxable distribution from the Plan and may be subject to a tax penalty.

**6. How is a loan repaid?**

Loans are repaid through payroll deduction.

All payments of principal and interest with respect to such loan will be credited to the subaccounts of the borrowing participant from which loan monies have been withdrawn, starting with the last subaccount from which the withdrawal was charged. Payments are reinvested in accordance with the participant's current election for such Account.

If you have no investment election in effect, repayments will be invested in the T. Rowe Price Stable Value Fund. You may repay your loan in full at any time without penalty. Partial prepayments and refinancing are not allowed. If you have two outstanding loans, separate deductions will be taken from your compensation for each loan.

The interest you pay on your loan goes back into your Account as earnings. The interest rate is set at the time you apply for the loan and will remain the same throughout the term of your loan. The actual basis being used for determining the interest rate is the Prime Rate as reported in the Wall Street Journal on the date the loan is requested, plus 1%.

**7. What happens to my loan if I go on a leave of absence?**

If you go on a leave of absence and have an outstanding loan balance, you will be expected to continue repayments during your period of absence.

- If you go on a paid leave, repayments will continue to be made through automatic payroll deductions.
- If you go on an unpaid leave, you will need to submit your payment once a month to Advanta Corp., P.O. Box 844, Welsh and McKean Roads, Spring House, PA 19477-0844, Attn: Payroll Dept. Repayments can be made by check or money order. When monthly payments are not received by the grace period described above, your loan will be considered in default.

**8. What happens to my loan if I terminate from the Company?**

The principal amount outstanding on a loan as of the date of your termination of employment and any accrued interest thereon must be repaid by you within the grace period.

If you request a distribution of your Account prior to your payment of the outstanding balance of your loan, such distribution will include as an offset the outstanding balance of your loan.

**9. What happens if I default on my loan?**

Once you take a loan from the Plan, you must continue to make regular payments until the loan is paid back in full. A loan default will occur in the following situations:

- If you revoke your payroll deduction authorization, or stop making the required installment payments;
- You are on an unpaid leave of absence and do not make payment by the grace period as described above; or

- You leave the Company and don't settle your outstanding loan on the first to occur of either (a) the grace period as described above, or (b) the date any distribution is made to you under the terms of the Plan.

If you default, the outstanding loan will be treated as a taxable distribution from the Plan and may be subject to a tax penalty. Such amount would also be subject to income tax withholding if the default occurs at a time you would be permitted to elect an immediate distribution under the Plan.

The Administrator will take any and all actions necessary and appropriate to enforce collection of the unpaid loan through foreclosure on your promissory note. Attachment of the Plan's security will not occur until you are eligible to receive a distribution from the Plan.

#### ***10. How do I apply for a Plan loan?***

If you wish to apply for a Plan loan, you should contact **PAL** for a loan application or log on to [www.401kpal.com](http://www.401kpal.com). Loan requests are processed weekly. You will be required to sign a promissory note that will set forth the terms of the loan and your obligation to repay the loan. A **Participant Services Representative** can assist you in determining the terms of your loan.

If you are requesting a loan for your primary residence, you should contact a **Participant Services Representative** to request an application for a primary residence loan. The application will be mailed to your address of record. The loan application and the necessary document to establish your purchase of a principal residence should be forwarded to **PAL** for approval.

Once your loan application is approved, your loan check will be mailed to you. Your endorsement of the check indicates your acceptance of the loan terms and your agreement to abide by such terms. All Plan loans are administered by the Company and are approved on a uniform and nondiscriminatory basis with respect to all participants.

### **Withdrawals While You Are Employed**

The Plan has been established to help you save for your retirement on a tax-effective basis. Therefore, you should not regard it as a short-term savings account. There are restrictions on the amount you can withdraw from your Account while you are still working for the Company. These restrictions are imposed by the government and vary according to the type of contribution. For example, your Salary Reduction Contributions and Rollover Contributions are available for withdrawal before age 59½ only in hardship situations.

#### ***1. What are my withdrawal options while I am still employed by the Company?***

In keeping with government restrictions, the Plan allows for two different types of withdrawals.

- **Hardship Withdrawal; and**
- **Age 59½ Withdrawal.**

You may choose to withdraw a specific dollar amount or the maximum amount available under a particular option. Please contact **PAL** to determine the amount available under each option and to request

withdrawal application materials. Withdrawal requests are processed weekly. Any outstanding loans will reduce your available withdrawal amount. All withdrawals will be payable in cash.

**2. *What are the federal income tax consequences on withdrawals from the Plan while I am still employed by the Company?***

Federal law requires that federal income tax be withheld from the taxable amount of your withdrawal. You will be taxed on all amounts withdrawn. In addition to regular income taxes, you may be subject to a 10% penalty tax on the taxable portion of the amount withdrawn. These taxes will not apply if you are at least age 59½. (See *Tax Considerations*, below.)

**3. *Does the Plan permit hardship withdrawals?***

Yes. You can make this type of withdrawal only if you are faced with a “financial hardship” **and have obtained all distributions other than hardship distributions and all non-taxable loans currently available under all plans maintained by the Company.** Any money available from the Rollover Contributions Subaccount will automatically be withdrawn first. Then, contributions will be withdrawn from your Salary Reduction Contributions Subaccount. However, the following portions of your Account are not available for a hardship withdrawal:

- Company Contributions and any earnings thereon, and
- Earnings on Salary Reduction Contributions deposited to your Salary Reduction Contributions Subaccount **after 1988.**

**4. *How is financial hardship for a hardship withdrawal determined?***

The Company follows specific rules set by the IRS for determining financial hardship. The IRS considers a financial hardship to exist if you have an “immediate and heavy” financial need that cannot be met by other income sources. Expenses considered immediate and heavy are:

- Expenses to prevent eviction from—or foreclosure on—your principal residence;
- Tuition and related educational fees for the next 12 months of post-secondary education for you, your spouse or your other dependents;
- Expenses for the purchase of your principal residence—not including mortgage payments; and
- Medical expenses for yourself, your spouse or your dependents which are **not reimbursed** by your medical coverage. These include expenses necessary to secure medical care.
- Burial or funeral expenses for your deceased parent, spouse or other dependents.
- Expenses for the repair of casualty damage to your principal residence.

When you request a hardship withdrawal, you will need to submit documentation of your financial hardship. Depending on your hardship, this might include a foreclosure notice, a tuition bill, a copy of the agreement of sale or a health care provider’s bill and the appropriate explanation of benefits from the insurance company. The Administrator will then review your withdrawal request based on the criteria outlined above, request any additional information from you, if necessary, and decide whether you qualify for a hardship withdrawal.

**5. *What are the consequences of a hardship withdrawal?***

If your request for a hardship withdrawal is approved, the Plan must impose several restrictions to comply with IRS regulations:

- First, you cannot withdraw more than the dollar amount that is needed to meet the hardship. (The amount of the hardship withdrawal may include the amount necessary to pay the taxes on the withdrawal.)
- You cannot make Salary Reduction Contributions to the Plan for six months following the hardship withdrawal. The Plan Administrator will contact you prior to the expiration of the six month period regarding recommencement of your Salary Reduction Contributions. If you do not elect to recommence your Salary Reduction Contributions in accordance with the directions provided by the Plan Administrator, your Salary Reduction Contributions will not recommence at the end of this six month period.

If your request is denied, you may file a claim in accordance with the claims procedures set forth in Administrative Information.

*Note:* Your hardship withdrawal is *not* eligible for rollover.

**6. *May I make withdrawals from the Plan at age 59½?***

When you reach age 59½, you have access to your entire Account—without restriction or penalty. If you elect this type of withdrawal, money will be taken from your Account in the following order:

- Rollover Contributions and related earnings;
- Salary Reduction Contributions and related earnings; and
- Company Contributions.

If contributions are invested in more than one investment category, the withdrawal amount will be taken from each category proportionately—within each contribution category.

**Note:** Please consult with a tax advisor prior to your request for an age 59½ or hardship withdrawal.

**Distribution of Your Account**

Generally, your Account will become payable to you when you separate from service with the Company or reach normal retirement age (age 65). If you separate from service and do not consent to the distribution of your Account upon separation, your Account will be distributed on the earlier of your request for a distribution, your reaching normal retirement age (age 65), or your death. If you die before your Account is paid out, it will be paid to your beneficiary.

**1. *What are my payment options after I have terminated my employment with the Company?***

***Cash Out Distribution:***

If your Account balance (including the amount of any outstanding loan plus accrued interest) is equal to or less than \$1,000, and you do not request a distribution of your Account by the end of the

second calendar month following the calendar month of your termination from employment, you will automatically receive a single-sum cash distribution of your Account following such date. Note: Such distribution will be offset by any applicable taxes that must be withheld. For purposes of this paragraph, your Rollover Account will not be included for purposes of determining whether your Account balance is equal to or less than \$1,000.

***General Distribution:***

If your Account balance (including the amount of any outstanding loan plus accrued interest) is greater than \$1,000, you can choose to receive payment of your Account immediately or you can defer payment up to age 65. If you elect to receive a distribution, benefits will be paid as described below. Effective January 1, 2002, for purposes of this paragraph, your Rollover Account will not be included for purposes of determining whether your Account balance is equal to or less than \$1,000.

***2. What are the forms of benefit offered under the Plan?***

The only form of payment offered under the Plan will be a lump sum payment. If, however, your Account is invested in Company Stock, you may elect to receive the value of your Company Stock in cash or in kind (i.e., in shares of stock). Any fractional shares of your holdings in Company Stock will be distributed in cash.

***3. What is a Total Distribution?***

A Total Distribution of your Account will reduce your Account to a zero balance. For tax purposes, a Total Distribution may also qualify as a Lump-Sum Total Distribution. A Lump-Sum Total Distribution generally means a distribution of your entire Account under the Plan made within one taxable year due to your separation from service. Certain Lump-Sum Total Distributions may qualify for special capital gains and forward-averaging tax treatment. (See *Tax Considerations*, below.)

***4. What is the mandatory minimum distribution?***

The IRS requires that a minimum distribution amount be distributed to you no later than April 1 of the Plan Year following the Plan Year in which you reach age 70½ or retire-whichever is later. (Five percent owners must commence distribution no later than April 1 of the Plan Year following the Plan Year in which they attain age 70½, even if they are still employed.) This amount is determined in accordance with Section 401(a)(9) of the Code. Note: Minimum distributions must continue every year thereafter and must be taken by December 31.

***5. When is a distribution made by reason of a Qualified Domestic Relations Order ("QDRO")?***

Distribution to an alternate payee pursuant to a QDRO will be made in accordance with the terms of such order and applicable law as soon as practicable after the Administrator has approved the QDRO. For more information on QDROs see below.

***6. How is a distribution made by reason of death under the Plan?***

Generally, death benefits under the Plan will be distributed in either one lump sum payment or in installments over a period not extending beyond five years after your death. If, however, your designated beneficiary is your spouse, distribution of your Account is not required to begin earlier than the date on which you would have reached age 70.



Benefit payments will be taxed as if they were ordinary income. If your request for any payment from the Plan is denied, you have the right to appeal. (See *Administrative Information*, below.)

## **Tax Considerations**

### **1. What are the tax considerations regarding my participation in the Plan?**

You do not pay federal income taxes on your before-tax contributions, Company Contributions or on any earnings as long as they stay in the Plan. When this money is paid to you, however, you will be required to pay taxes on it.

When you make a withdrawal or receive a final distribution of your Account, you will receive a confirmation notice that summarizes your withdrawal and indicates which portion is taxable.

Tax laws affect different people in different ways. You should get professional tax advice **before** you elect to receive a distribution from your Account. However, the following information offers some general tax guidelines.

### **2. What is the 10% Penalty Tax?**

The IRS places a 10% additional tax on the taxable portion of any payment you receive from the Plan before you are age 59½. You pay this tax in addition to your regular income taxes.

However, there is no additional tax if payment is received under the following circumstances:

- If you separate from service during or after the calendar year in which you reach age 55;
- When it's rolled over into an IRA or another employer's qualified plan;
- If distributed in connection with your death; or
- If it is paid pursuant to a Qualified Domestic Relations Order.

### **3. Is there favorable tax treatment for Single-Sum Payments?**

If you were born on or before January 1, 1936, you may be eligible for ten-year forward averaging. Under this tax method, your distribution is treated as if it is your only source of income over a ten-year period and the tax is computed using 1986 tax rates. As a result, your distribution may be taxed at a lower rate than it would be under the normal income tax rates.

Consult your tax advisor for details.

### **4. What is the Federal Income Tax Withholding?**

The IRS requires the Plan to withhold 20% of the taxable portion of your distribution that is eligible for rollover into another qualified plan or an IRA.

- Generally, if you receive a withdrawal (excluding a hardship withdrawal), a loan settlement, a partial or total distribution or a series of installments paid out in less than ten years, the Company must automatically withhold 20% of the taxable portion. This withholding is an advance estimat-



ed payment on the income taxes you may owe as a result of your distribution. The only way you can avoid the 20% withholding is by requesting the Company to make a “direct rollover” of your distribution.

- If you receive a hardship withdrawal, you can elect 0% to 10% withholding on the amount of the withdrawal. If you do not make a withholding election, 10% withholding will be applied.
- If you are receiving minimum distributions from the Plan, the mandatory 20% withholding does not apply. Instead, the Company will withhold 10% of your payment, unless you elect otherwise. If you elect no withholding or if the amount withheld is not enough to cover the actual taxes due, you will be required to pay taxes when you file your tax return for that year. You also may be required to file estimated taxes.

**Note: The 10% penalty tax is not withheld from your payment. You are responsible for paying this tax when you file your tax return.**

Keep in mind that your withdrawal may also be subject to state taxes. You should consult a tax advisor **before** making your withholding decision. You will be responsible for any additional taxes (based on your tax bracket) when you file.

You will receive IRS Form 1099-R in the January following your withdrawal or distribution for income tax reporting purposes.

#### **5. *Is there a way to continue to defer taxes after I have left the Company?***

If you leave the Company, there are two ways you can continue to defer taxes.

- You can keep your Account in the Plan—provided your balance is greater than \$1,000. If your balance is greater than \$1,000 and you choose to keep your Account in the Plan, your Account will be distributed upon your normal retirement age (age 65); or
- You can make a “direct rollover” or a “60-day rollover” of the money in your Account. Generally, the taxable portion of your distribution is considered an eligible rollover distribution. Certain types of distributions, however, are ineligible for rollover. Ineligible distributions include:
  - Any mandatory minimum distribution (See *Distribution of Your Account*); and
  - A hardship withdrawal.

#### **6. *What is a Direct Rollover?***

With a direct rollover, you can request the Company to roll over all or part of an eligible rollover distribution directly to an IRA or to another employer’s qualified retirement plan that accepts direct rollovers. By making a direct rollover, you continue to defer taxation of your distribution.

To request a direct rollover, you must contact **PAL**. You may make a direct rollover to one plan or to one IRA per distribution. Once your request for a direct rollover is processed, the Trustee will send you a check made payable to the trustee of the IRA or plan. You must then submit the check to the IRA or other receiving plan.

### **7. *What is a 60-Day Rollover?***

With a 60-day rollover, you can have your distribution paid directly to you and then roll all or part of it over into an IRA or another employer's plan yourself within 60 days. Even though you plan to roll over your payment within 60 days, the Plan must still withhold 20% of the distributed amount since this does not qualify as a direct rollover. You then have two choices:

- You can roll over the entire amount of your distribution, including the 20% that was withheld. In this case, you must add the 20% amount from other sources.
- You can roll over part of your distribution after the 20% withholding. In this case, since the amount withheld and not rolled over will be considered part of your taxable income, you will pay taxes on it and may be subject to the 10% penalty tax.

### **8. *What is a Special Tax Notice?***

Within a reasonable amount of time before you receive a distribution from the Plan, the Administrator will provide you a copy of the Special Tax Notice. The Special Tax Notice contains important information you will need before you decide to receive a Plan distribution, including more details on rollovers, tax withholding and special tax treatment.

## **Situations Affecting Plan Participation and Payments**

### **1. *What situations could affect my Plan participation and distribution of my Account?***

- The distribution of your Account under the Plan could be delayed if you don't make proper application, don't furnish the necessary information or don't keep up-to-date addresses (for you and your beneficiary) on file with the Administrator.
- The Plan places contribution limits on certain highly paid employees. You will be notified if these limits affect you.
- If you transfer to an employee group within the Company that is not eligible to participate, or transfer to an affiliate of the Company that has not adopted the Plan, no further contributions will be made to your Account. The value of your Account will not be distributed to you at the time of your transfer. It will only be distributed if you cease to be employed by the Company or one of its affiliates.

### **2. *What is Non-alienation of Plan benefit?***

Except as required under a Qualified Domestic Relations Order or as otherwise permitted by law, your Account under the Plan may not be alienated. This means that your interest under the Plan may not be sold, used as collateral, assigned or transferred by you.

### **3. *What is a Qualified Domestic Relations Order?***

Your Account could be affected by divorce or legal separation. A domestic relations order (a special type of judgment or decree made pursuant to state domestic relations law that provides alimony, child support or marital property rights to a spouse, former spouse, child or other dependent) could provide for the assignment of all or a portion of your Account. A domestic relations order is not effective

as a “Qualified Domestic Relations Order” until the Plan Administrator determines the order to be qualified. The Plan has written administrative procedures for determining the qualified status of a domestic relations order. You may request a copy of these administrative procedures free of charge. Please contact the Plan Administrator for more information.

#### ***4. What happens in Top-Heavy Plan Years?***

In the event that the Plan is “top heavy” for the year, certain alternate Plan provisions go into effect to increase the value of the Account of participants who are not “key employees.” The Plan is considered top heavy for a particular year if 60% of the sum of all Plan accounts is payable to key employees. Key employees include certain officers and owners of the Company (and their beneficiaries). In the event the Plan becomes top heavy, you will be given more information.

#### ***5. What if the terms of the Plan change or the Plan ends?***

The Board of Directors of the Company reserves the right to amend, suspend, change or terminate the Plan in whole or part at any time, or from time to time, for whatever reason it finds appropriate. The decision to terminate or materially amend the Plan is a “corporate” and not a fiduciary function. Plan fiduciaries and employees and officers of the Company have no obligation to inform you of any proposed Plan change until such change has been adopted by the Board. Further, regarding proposed changes to the Plan, you may not rely on any statement or the absence of any statement by an employee or officer of the Company or any fiduciary prior to the official adoption of such change by the Board. You will be notified in the event a material modification or termination of the Plan occurs.

The Plan is subject to governmental regulations concerning the favoring of particular employee groups and may change at any time to comply with these regulations.

No amendments to the Plan may reduce the vested or accrued benefit of any participant.

If the Plan is terminated, any unallocated contributions and investments earnings will immediately be allocated to your Account. Investment gains and losses will continue to be allocated until the balances are distributed. In addition, the assets of the Plan will be distributed to participants.

If the Company is acquired or merged into any other company, the successor company can continue, change or terminate the Plan. If the Plan is merged or consolidated with another plan, or if your Account is transferred to another plan, your current Account balance will be protected. Immediately after the change, your Account balance under the new plan would be at least equal to the amount you would be entitled to if the Plan had been terminated just before the change.

#### ***6. Are plan to plan transfers permitted?***

Except by resolution of the Board of Directors or pursuant to a binding agreement approved by the Board of Directors, the Administrator may not accept a transfer of assets from another Qualified Plan or transfer assets from this Plan to another Qualified Plan other than a required transfer of an eligible rollover distribution. Amounts transferred to this Plan will be accounted for separately to the extent necessary to satisfy Section 411(d)(6) of the Code. For purposes of this paragraph, a “Qualified Plan”

is any retirement plan covering employees within the United States which is qualified under Section 401(a) of the Code and whose assets are held by a trust exempt from taxation under Section 501 of the Code. Plan loans of participants may be transferred to another Qualified Plan if so provided in a binding agreement approved by the Board of Directors.

## **Administrative Information**

### ***1. What is the function of the Committee?***

Generally, the Committee has the following responsibilities:

- Interpret, construe and implement the provisions of the Plan;
- The sole and absolute discretion to decide all questions concerning the Plan and the amount of benefits to which an employee is entitled under the Plan;
- Adopt such regulations, rules, procedures and forms consistent with the Plan that are deemed necessary or desirable for the administration of the Plan; and
- Employ individuals and firms to provide legal, investment and actuarial advice and counsel, as necessary, to ensure that the provisions of the Plan are properly interpreted and administered.

In addition, the Committee is the fiduciary with respect to the investment of assets of the Plan and administration of the Plan. The Committee develops strategy, benefit levels and policies with respect to the Plan.

### ***2. What if I have a claim for benefits under the Plan?***

All claims for benefits by a participant or beneficiary, or by his or her legally authorized representative (the "Claimant") must be made in writing on such form as may be provided by the Committee for this purpose (an "appropriate form"). The completed appropriate form and any additional information as may be required must be submitted to the Committee at the office of the Plan Administrator. The Committee's decision on the claim will be made in accordance with the terms of the Plan and pursuant to rules applied in a uniform manner to all Claimants.

In the event that any claim for benefits is denied in whole or part, the Committee (acting for the Plan Administrator) will notify the Claimant of such denial in writing within a reasonable period of time, but not less than 90 days following receipt of the claim for benefits. If however, special circumstances require additional time for processing the claim, the Committee will provide the Claimant with written notice of the need for additional time prior to the expiration of the initial 90-day period. The extension notice will indicate the special circumstances requiring the extension of time and the date by which the Committee expects to render a final decision. In no event will a decision regarding a claim for benefits be rendered later than 180 days after the Plan receives the Claimant's claim for benefits.

A notice advising the Claimant of the denial of a claim will be provided in a manner reasonably calculated to be understood by the Claimant and will: (i) specify the reason or reasons for denial, (ii) make specific reference to pertinent Plan provisions on which the denial is based, (iii) describe any additional material or information necessary for the Claimant to perfect the claim and an explanation of why

such material or information is needed, (iv) advise the Claimant of the procedure for the appeal of the denial and the time limits applicable to such procedures, and (v) include a statement of the Claimant's right to bring a civil action under 502(a) of ERISA following an adverse benefit determination on appeal.

### **3. *How do I appeal a denial of a claim for benefits?***

All appeals must be made by the following procedure:

- (a) The Claimant whose claim has been wholly or partially denied must file with the Committee a notice of his or her desire to appeal the denial. This notice must be filed within sixty (60) days of notification of the claim denial, must be made in writing, and must set forth all of the facts upon which the appeal is based. Appeals not timely filed will be barred. The Claimant may request in writing to review any documents pertinent to his or her claim.
- (b) The Committee may, in its sole discretion, establish a hearing date on which the Claimant may make an oral presentation in support of his or her appeal. If no hearing is provided by the Committee, the Claimant will have an opportunity to submit in writing to the Committee any issues or comments relating to his or her claim. Regardless of whether a hearing is provided by the Committee, the Claimant will have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits.
- (c) The Committee will consider the merits of: (i) the Claimant's written and oral presentations, (ii) the merits of any facts or evidence in support of the denial of benefits, (iii) any and all comments, documents, records, and other information relating to the claim submitted by the Claimant, without regard to whether such information was submitted or considered in the initial benefit determination, (iv) and such other facts and circumstances as the Committee deems relevant. The Committee will render a determination upon the appeal within 60 days from the date of the notice of desire to appeal is received by the Plan. If, however, special circumstances (including, but not limited to, the establishment of a hearing date) require an extension of time for processing the appeal, the Committee will provide the Claimant with written notice of the need for additional time prior to the expiration of the initial 60-day period. The notice will indicate the special circumstances requiring the extension of time and the date by which the Plan expects to render the decision on appeal. In no event will a decision regarding an appeal be rendered later than 120 days after the Plan receives the Employee's notice of desire to appeal. If the appeal is denied, the determination will be accompanied by a written statement reasonably calculated to be understood by the Claimant and which: (i) specifies the reason or reasons for denial, (ii) makes specific reference to pertinent Plan provisions, (iii) informs the Employee of his or her right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Employee's claim for benefits, and (iv) contains a statement of the Employee's right to bring an action under Section 502(a) of ERISA.

It is intended that the claims procedures of the Plan be administered in accordance with the claims procedure regulation of the Department of Labor set forth in 29 CFR § 2560.503-1.

## **Your Rights under ERISA**

The Plan is subject to the eligibility, vesting, fiduciary and reporting and disclosure requirements of ERISA. However, the Plan is not subject to ERISA's minimum funding or plan termination insurance provisions and its benefits are not guaranteed by the Pension Benefit Guaranty Corporation.

As a Participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants will be entitled to:

### **■ *Receive Information About Your Plan Benefits***

Examine, without charge, at the Administrator's office and at other specified locations or worksites, all documents governing the Plan, including insurance contracts, and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Administrator, copies of documents governing the operation of the Plan, including insurance contracts, copies of the latest annual report (Form 5500 series) and updated summary plan description. The Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (age 65) and if so, what your benefit would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

### **■ *Prudent Actions by Plan Fiduciaries***

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

### **■ *Enforcement of Your Rights***

If your claim for a pension benefit is denied or ignored, in whole or in part, you have the right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.



Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

#### ■ *Assistance with Your Questions*

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

The foregoing text, "ERISA Rights," was created by the United States Department of Labor which, by regulations, prescribed inclusion of that text in this Summary Plan Description. The Administrator, the Company, the fiduciaries, and all other persons and entities associated with the Plan hereby disavow authorship of and responsibility for the accuracy of the foregoing statement of "ERISA Rights" and each of them states that publication of the statement of "ERISA Rights" should not be construed as the offering of legal advice.

NOTE: The Department of Labor has issued a number of administrative exemptions from certain reporting and disclosure requirements. Some of these exemptions may apply from time to time to the Plan. For example, many plans are exempted from preparing or filing annual reports and summary annual reports. To the extent that such exemptions pertain to this Plan, the above statement of "ERISA Rights" may be considered to be modified.



**APPENDIX A**  
**PARTICIPATING COMPANIES**

In addition to the Company, the following companies currently are Participating Companies:

Advanta Bank Corp.

Advanta Bank

Advanta Life Insurance Company

Advanta Shared Services Corp.

\*At the discretion of Advanta Corp., the list of Participating Employers may be changed from time to time.

**APPENDIX B**  
**FUND INFORMATION**

Name of Fund and Symbol	Investment Category	Investment Objectives	Fund Portfolio Summary
<i>T. Rowe Price Stable Value Common Trust Fund</i> (No symbol)	Stable Value	To provide a competitive yield while maintaining principal stability.	Invests primarily in a diversified portfolio of guaranteed investment contracts, bank investment contracts, and synthetic or structured investment contracts issued by U.S. and Canadian insurance companies, U.S. banks, and U.S. branches of foreign banks.
<i>Western Asset Management Core Portfolio</i> (WATFX)	Intermediate Term Bond	To maximize total return, consistent with prudent investment management and liquidity needs, by investing to obtain the average duration specified for the Portfolio.	Invests primarily in obligations issued or guaranteed by the U.S. Government, U.S. dollar-denominated fixed income securities of non-governmental domestic or foreign issuers rated Baa or better by Moody's or BBB or better by Standard & Poor's ("S&P"); U.S. dollar-denominated obligations of foreign governments, certificates of deposit, and time deposits and bankers' acceptances issued by banks.
<i>Dodge &amp; Cox Balanced Fund</i> (DODBX)	Moderate Allocation	To provide shareholders with regular income, conservation of principal and an opportunity for long-term growth of principal and income.	Maintains approximately 75% of its total assets in common stocks. May invest up to 20% of its total assets in U.S. dollar-denominated securities of foreign issuers traded in the U.S. Moderate reserves in cash or short-term fixed income securities may be held from time to time. Invests in investment grade debt securities rated in the top four rating categories by either Moody's Investors Service ("Moody's") (Aaa, Aa, A, Baa) or Standard & Poor's Ratings Group ("S&P") (AAA, AA, A, BBB).
<i>Vanguard Institutional Index Fund</i> (VINIX)	Large Blend	Seeks to track the performance of a benchmark index that measures the investment return of large-cap stocks.	Utilizes a "passive" or "indexing" investment approach. Attempts to duplicate the investment performance of its index through statistical procedures. Invests in all 500 stocks in the S&P 500 Index in approximately the same proportions as they are represented in the Index.

Name of Fund and Symbol	Investment Category	Investment Objectives	Fund Portfolio Summary
<i>Dodge &amp; Cox Stock Fund 'Admiral'</i> (DODGX)	Large Value	To provide shareholders with an opportunity for long-term growth of principal and income; to achieve a reasonable current income.	Invests primarily in a diversified portfolio of common stocks. Generally, the Fund will invest at least 80% of its total assets in common stocks. The Fund may also purchase other types of securities, for example, preferred stocks and debt securities which are convertible into common stock (or which in the opinion of Dodge & Cox have predominantly common stock investment characteristics). The Fund may also invest up to 20% of its total assets in U.S. dollar-denominated securities of foreign issuers traded in the U.S.
<i>Vanguard International Growth Fund 'Admiral'</i> (VWILX)	Foreign Large Blend	To provide shareholders with an opportunity for long-term capital appreciation.	Invests primarily in a diversified portfolio of common stocks. Generally, invests at least 65% of its total assets in common stocks. The Fund may also purchase other types of securities, such as preferred stocks and debt securities which are convertible into common stock. The Fund may also invest up to 20% of its total assets in U.S. dollar-denominated securities of foreign issuers traded in the U.S.
<i>American Funds - Growth Fund of America Fund 'R5'</i> (RGAFX)	Large Growth	The investment seeks capital growth.	The fund invests primarily in common stocks. Management selects securities that it believes are reasonably priced and represent solid long-term investment opportunities. The fund may invest up to 15% of assets in securities of issuers domiciled outside of the U.S. and Canada, and not included in the S&P 500 Index. It may also invest up to 10% of assets in debt securities rated below investment-grade.
<i>Managers Special Equity Fund 'I'</i> (MSEIX)	Small Blend	The investment seeks long-term capital appreciation	The fund invests at least 80% of assets in equity securities. It may invest in small to medium capitalization companies and companies that are in the early stages of their corporate life cycle or are not yet well recognized, or they may be more established firms experiencing accelerated earnings growth. The fund may also invest without limit in cash or high quality short-term debt securities and repurchase agreements.
<i>American Beacon Small Cap Value Fund 'Plan'</i> (AVPAX)	Small Value	The investment seeks long-term capital appreciation and current income.	The fund normally invests at least 80% of its total assets in equity securities of U.S. companies with market capitalizations of \$3 billion or less at the time of investment.
<i>J.P. Morgan Mid Cap Value Fund 'A'</i> (JAMCX)	Mid Value	The investment seeks capital appreciation.	The fund normally invests at least 80% of assets in equity securities of mid-cap companies. It may only purchase securities that are traded on registered exchanges or in the over-the-counter market in the United States. The fund may invest in common stocks, preferred stocks, convertible securities, depositary receipts and warrants to buy common stocks. It may also invest any portion of assets that is not in equity securities in high quality money market instruments and repurchase agreements. The fund may also use derivatives for hedging.

(continued next page)

Name of Fund and Symbol	Investment Category	Investment Objectives	Fund Portfolio Summary
PIMCO Real Return 'Instl' Fund (PRRIX)	Inflation-Protected	The investment seeks real return consistent with preservation of capital.	The fund normally invests at least 80% of assets in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities, and corporations. It invests primarily in investment grade securities, but may also invest up to 10% of its total assets in high yield securities rated B or higher by Moody's or S&P or, if unrated, determined by PIMCO to be of comparable quality. The fund may also invest up to 20% of assets in securities denominated in foreign currencies. It is non-diversified.
Goldman Sachs Growth Opportunities Fund 'A' (GGOAX)	Mid Growth	The investment seeks long-term growth of capital	The fund normally invests at least 90% of assets in equity securities with a primary focus on mid-cap companies. It primarily invests in publicly traded U.S. securities. The fund may also invest up to 25% of assets in foreign securities, including securities of issuers in emerging countries and securities quoted in foreign currencies.
Company Stock Fund (ADVNB)	Non-diversified fund consisting of a single stock.	Seeks long term capital growth and reasonable current income.	Invests entirely in Advanta Corp. Class B Common Stock.

\* The funds listed in this chart are the funds available as of January 1, 2007. Please log onto [www.401kpal.com](http://www.401kpal.com), contact a Participant Services Representative at 1-888-542-4015, or contact the Plan Administrator for current information on the funds available.

\*\*In order to comply with its investment policy or, applicable law, or in response to changing conditions, the Committee has the right to change the investment categories that are offered from time to time. Neither the Committee nor the fund managers of the investment categories guarantee any particular return or that the investment objectives will be met. In addition, the fund managers may change from time to time. None of the investment categories is insured through FDIC.